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Authority <u>AWD 873117</u>
By: <u>SD</u> NARA Date <u>1/7/90</u>

7 February 1946

MEMORANDUM TO SECRETARY OF WAR

SUBJECT: Proposed Implementation of Central Intelligence Group Provided in Presidential Directive dated 22 January 1946

I. PROBLEM PRESENTED

To provide a plan for the early implementation of the Central Intelligence Group provided in Presidential Directive of 22 January 1946.

II. PERTINENT FACTS

a) By Presidential Directive dated 22 January 1946, the President established a National Intelligence Authority and provided a Central Intelligence Group to assist the National Intelligence Authority in the accomplishment of the correlation, evaluation, and dissemination within the Government of the resulting strategic and national policy intelligence.

b) The terms of the above-mentioned Presidential Directive provided that the Secretaries of State, War and Navy should assign personnel and facilities to the Central Intelligence Group, and furnish funds within the limits of existing appropriations for the operation of this Group.

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The Directive further provides that such "persons shall collectively form a Central Intelligence Group."

c) The Directive did not provide an administrative or operating framework by which the persons could collectively be administered to carry out the policies promulgated in the Directive.

d) Standard governmental practice requires that all groups be furnished certain administrative facilities which include personnel administration, supply, fiscal controls, transportation and allied services, and the direction of operating groups.

e) The War Department has a self-contained experienced unit geared to furnish certain operational techniques, as well as personnel administration and servicing sufficient for the immediate purposes of tri-departmental intelligence organization.

This unit, however, has certain obligations incident to wartime operations which are being liquidated, and which for security and administrative reasons should not be identified with the operation of the newly created Central Intelligence Group.

III. DISCUSSION

a) The Presidential Directive provides a Central Intelligence Group which lacks the necessary operational control, administrative and supply facilities. The Director is, therefore, faced with creating these facilities from a group of unrelated persons furnished by the three Departments, or he can utilize an existing unit possessing the group experience obtained from actual operations.

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In the first instance, such a group would lack overall experience in functioning as a team. They would require a considerable period of time spent in planning, organizing, implementing and training prior to undertaking the necessary operations.

b) Wartime experience has proved the necessity for specialized skills in the field of clandestine intelligence. These include: (1) procurement, training, processing and placement of agents in strategic locations in foreign countries; (2) supply, pay and administration of these agents; (3) cryptographically secure methods of communication; (4) knowledge of foreign currencies and ability to obtain same by undercover methods; (5) procurement of adequate cover and documentation necessary to implement the secure operation of clandestine agents; (6) knowledge of methods and procedures of foreign intelligence agencies; (7) collection, evaluation and dissemination of intelligence through secure methods and channels.

c) It is believed that failure to utilize existing and proven skills will seriously disrupt present profitable operations and will dangerously delay the development of new operations.

IV. CONCLUSIONS

a) That there exists within the War Department an experienced unit which can furnish the necessary administrative framework to enable the Central Intelligence Group to undertake and to accomplish one major part of its mission at once.

b) That this unit possesses certain obligations to

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complete its liquidation of War activities which responsibilities should not be transferred to the Central Intelligence Group.

c) That these obligations can be liquidated within the War Department by selected personnel of this unit. That sufficient experienced personnel from the remainder of the unit can be made available by the War Department to furnish the administrative framework referred to in paragraph (a) above.

d) That to make these additional personnel available to the Central Intelligence Group certain administrative procedures are necessary. These procedures are:

1) Establish within the Secretary of War Group a division to serve the Central Intelligence Group in accordance with paragraph 2 of Presidential Directive dated 22 January 1946.

2) That the Secretary of War issue letters of instruction substantially as per the attached drafts. (Exhibits "A" and "B")

3) That the Director of the Central Intelligence Group or his representative collaborate with the Assistant Secretary of War or his representative in the survey of the personnel and facilities to be made available in accordance with the instructions contained in Exhibit "B".

4) That the Secretary of War request the National Intelligence Authority to authorize the Director of the Central Intelligence Group to assume operational control and utilize the division provided in sub-paragraph (1) above, as the nucleus of the

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Central Intelligence Group, and thereafter to be known as the Central Intelligence Group.

5) That the initial operations of the Central Intelligence Group be financed from funds furnished by the War Department. Further, that the Central Intelligence Group prepare for the National Intelligence Authority a budgetary procedure which will provide for reimbursement by the State and Navy Departments of their proportionate share of the funds advanced by the War Department for the initial operations.

6) That the Central Intelligence Group prepare for the National Intelligence Authority a plan which will provide for the distribution of the personnel of the Central Intelligence Group among the several departments and provide for subsequent distribution of additional personnel as acquired. It will also present to the National Intelligence Authority a detailed budgetary plan to be followed for the Fiscal Year 1947 and thereafter.

7) That the Central Intelligence Group will furnish a plan for personnel administration excepted from the usual Civil Service Laws and Regulations, in a manner similar to that employed by certain other departmental agencies.

8) That the Central Intelligence Group provide a complete and detailed method of operation for the procurement, correlation, evaluation and dissemination of intelligence relating to the national security.

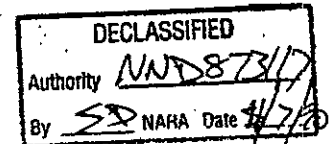
JOHN MAGRUDER
Brigadier General, USA
Director

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WAR DEPARTMENT
Washington, D. C.



TO: Director of SSU
SUBJECT: Liquidation of SSU

1. Pursuant to instruction contained in Paragraph 3, Executive Order 9621 dated 20 September 1945, you will continue the orderly liquidation of the SSU. I desire that you complete this liquidation not later than 30 June 1946.

2. All property, records, physical assets, and unobligated funds will be maintained for final disposition in accordance with directives to be issued at a later date.

3. The above actions will be under the immediate supervision of the Assistant Secretary of War, and he or his designee for that purpose will be kept informed in detail of all action taken.

Secretary of War

EXHIBIT "A"

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WAR DEPARTMENT

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SUBJECT: Central Intelligence

TO: Assistant Secretary of War

1. By a directive dated 22 January 1946, the President has directed me to assign persons and facilities from the War Department to assist the National Intelligence Authority under the direction of the Director of Central Intelligence.

2. By letter dated _____ January 1946, I have requested the Director of the Strategic Services Unit to liquidate that Unit completely by 30 June 1946, and have further directed that he give you detailed current information on the progress of this liquidation.

3. You will, in collaboration with the Director of Central Intelligence, review the reports of the liquidation of the Strategic Services Unit and determine what personnel, records, property and other assets of that unit may be of use to the Director of Central Intelligence. When reported by the Strategic Services Unit as no longer necessary to its mission, you will report these facilities to the Director of Central Intelligence. Such surplus personnel will be assigned to the Office of the Secretary of War and placed under the operational control of the Director of Central Intelligence. Such records, property, funds, and other assets as may be required by the Director of Central Intelligence will be transferred to the Office of the Secretary of War and placed under the operational control of the Director of Central Intelligence.

Secretary of War

EXHIBIT "B"

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Authority 11ND873117

By SP NARA Date 11/7/86